

CALIFORNIA EXPOSITION & STATE FAIR

Minutes of the Board of Directors Meeting

Held Pursuant to Due Notice
Wednesday, May 21, 2008

California Exposition & State Fair
Satellite Wagering Facility Clubhouse
1600 Exposition Boulevard
Sacramento, CA 95815

Directors Present

Marko Mlikotin, Chair
Amparo Pérez-Cook, Vice Chair
Director Gil Albiani
Director Steve Beneto
Director Corny Gallagher
Director Marilyn Hendrickson
Director Rex Hime
Director Kathy Nakase by teleconference

Directors Absent

Director Bert Johnson, M.D.

Ex Officio Member Present

Assembly Member Dave Jones

Ex Officio Members Absent

Senator Darrell Steinberg

Staff Present

Norbert J. Bartosik, General Manager/CEO (GM)
Brian A. May, Deputy General Manager (DGM)
David Elliott, Assistant General Manager, Racing (AGM)
Erica Manuel, Assistant General Manager, Marketing & Public Relations (AGM)
Steve Launey, Assistant General Manager, Planning & Facilities (AGM)
Patricia Garamendi, Assistant General Manager, Programs (AGM)
Amy Casias, Accounting & Finance Manager
Marcia Shell, Admissions & Parking Manager
Louise Shroder, Exposition Event Manager
Brian Honebein, Sponsorship Sales
Robert Craft, Chief of Police
Jan Risso, Contracts Manager
Greg Kinder, Exhibits Supervisor
Michael Bradley, Chief Bureau of Exhibits (CBE)
Randy Brink, Cal Expo Volunteer
Linda Contreras, Recording Secretary

Others Present*

Jerry Blair, Deputy Attorney General (DAG)
Sonney Chong, Representative for Assembly Member Dave Jones
Hiroko N. Ninomiya, Matsuyama-Sacramento Sister City Corporation
Tammy DuTemple, California Highway Patrol
Steve L. Merchant, California Highway Patrol
Norm Towne, Legislative Advocate
Governor Pete Wilson, The Bingham Group
Gregory Clark, The Bingham Group
NBA Commissioner David Stern
John Moag, NBA
Patrick Johnson, Sacramento Housing Alliance
Jim Lyons, Sacramento Resident
Britt Hart, Fan of Effort
Jackie Jang, Neighbors & Fan
Aidan Jang, Neighbors & Fan
Madeline Jang, Neighbors & Fan
Colin deLeon-Horton
Devin Lavelle, Sacramento Resident
Council Member Rob Fong, City of Sacramento
Shannon Navarra
Rob Kerth, North Sacramento Chamber of Commerce
Rebecca Garrison, Point West Area Transportation Management Association
Lloyd Bakan, LBC Inc.

*May not include all others present in the room or arriving late.

1. CALL TO ORDER

The meeting was called to order by Chair Mlikotin at 1:30 p.m.

Chair Mlikotin read the Mission Statement, Policy Statement and Public Comments Statement.

2. PLEDGE OF ALLEGIANCE

Chair Mlikotin asked Cal Expo Volunteer, Randy Brink, to lead everyone in the Pledge of Allegiance.

3. ROLL CALL AND DIRECTORS ABSENT

Roll call was taken by GM Bartosik. Director Nakase participated by teleconference. Director Johnson had asked to be excused and was not present.

4. INTRODUCTION OF GUESTS AND STAFF

Introduction of Guests and Staff were made around the room.

5. PRESENTATIONS

- a. Presentation of the WFA Blue Ribbon Award to Hiroko N. Ninomiya of Matsuyama-Sacramento Sister City Corporation by the Board

Chair Mlikotin presented the WFA Blue Ribbon Award to Hiroko N. Ninomiya of Matsuyama-Sacramento Sister City Corporation on behalf of the Board.

Ms. Ninomiya thanked the Board for the presentation.

- b. Presentation by CHP Division Chief's, Tammy DuTemple and Steve Merchant to Cal Expo Staff

CHP Division Chief's, Tammy DuTemple and Steve Merchant, presented to the Board and Staff, the Division Chief's Commendation Award for many years of assistance in relaying CHP's safety message to the citizens of the State of California and for Staff's continued support.

6. MINUTES OF MEETING

- a. Board Meeting Minutes of April 25, 2008

Motion:

It was moved by Director Albiani and seconded by Vice Chair Pérez-Cook to approve the minutes of the March 28, 2008 meeting as mailed. **All in favor, motion carried.**

7. UPDATE ON ARENA NEGOTIATIONS WITH THE NBA

1. Real Estate Committee, the Bingham Group and the NBA representatives will review the status of the negotiations concerning a proposed project for the development of a new integrated fairgrounds, sports, entertainment and mixed use complex at the Cal Expo property. (Proposed Project).
2. The Board will also hear public testimony and consider the approval/disapproval of an agreement entitled "Letter of Understanding" ("LOU") with the NBA.
 - The purpose of the LOU is for the parties to commit to a more formal process for continuing negotiations concerning the Proposed Project.
 - To avoid any misunderstanding, the LOU is not a commitment by either party to go forward with the Proposed Project.

Chair Mlikotin introduced NBA Commissioner David Stern and John Moag.

Chair Mlikotin introduced Governor Pete Wilson and Gregory Clark with The Bingham Group.

Director Hime representing the Board's Real Estate Committee began by thanking the Board members who served on the Real Estate Committee, Former Director Brenda Washington Davis, Chair Mlikotin and current member, Director Albiani.

Director Hime thanked the Bingham Group lead by Governor Pete Wilson, legal counsel, Jerry Blair and GM Bartosik & DGM May for their work to date and made the following report.

There are three critical issues which will need to be addressed if the Board approves the LOU included in the Board packet. These are:

What does the project look like?

How is the project financed?

The search for a development partner(s).

What the project does not do is:

Start construction

Bind either party

Governor Pete Wilson addressed the Board and made the following comments:

The LOU is a beginning. The proposed project enhances Cal Expo's Mission Statement and would result in a win for the NBA, Cal Expo and the Sacramento region. Now the parties must work on developing a site plan which the parties can agree on and find a development partner who can add value to the project. There is no guarantee that the project will happen.

Traffic is currently a problem. Maybe this proposal identifies solutions to the traffic problem that results in a better quality of life for everyone.

Commissioner Dave Stern addressed the Board and made the following comments:

The NBA appreciates the support that Sacramento has demonstrated and the NBA is committed to Sacramento.

This proposal will bring new life to Sacramento and provide badly needed upgrades for the Kings, Monarchs and Cal Expo. The project is a model for urban living and can be built without new taxes. The next steps are:

1. Agree on a site plan
2. Develop a partnership with the City, County and State to address infrastructure costs and entitlements
3. Find a developer

In the end, the parties may not be successful in developing the project, but we would be foregoing a great opportunity if we didn't try.

Public Comments

Patrick Johnson Sacramento Housing Alliance

Mr. Johnson supports the concept. Wants affordable housing and the retention of the homeless shelter.

Jim Lyons, Sacramento Resident

Mr. Lyons supports the concept. It's an extraordinary opportunity to remake Cal Expo, bring new life to the State Fair and keep the Kings in Sacramento.

Mr. Lyons thanked the NBA Commissioner Stern for his commitment and particularly Sacramento City Council Member Rob Fong for his political courage in keeping the Kings in Sacramento.

Britt Hart, Fan of Effort

Mr. Hart supports the concept.

Jackie Jang, Aidan Jang (8 yrs old) & Madeline Jang (10 yrs old), Neighbors & Fans

The Jang Family supports the concept.

Colin deLeon-Horton

Mr. deLeon-Horton speaking on behalf of his friend James Lee, who supports the concept.

Devin Lavelle, Sacramento Resident

Mr. Lavelle supports the concept.

Council Member, Rob Fong, Sacramento City

Council Member Fong believes Cal Expo provides tremendous value to the region and supports the concept.

Shannon Navarra

Ms. Navarra supports the concept.

Rob Kerth, President, North Sacramento Chamber of Commerce

Mr. Kerth supports the concept.

Rebecca Garrison, President, Point West Transportation Management Association

Ms. Garrison supports the concept and will pledge their support and partnership on working together on an effective transportation system that will address current needs as well as future transportation needs.

Barbara Stanton, RiderShip for the Masses

Ms. Stanton, who was not present, submitted a letter for the record supporting the concept. A copy for review is on file.

Lloyd Bakan, LBC Inc.

Mr. Bakan supports the concept and requests that local professionals be used for the design and construction of the project.

Comments by members of the Board of Directors:

Chair Mlikotin asked what was the purpose of the LOU? Commissioner Stern responded that it was a vehicle to get the parties working together on developing an RFP to see if a deal can be made. John Moag added that the LOU is like getting engaged with work on a pre-nuptial agreement to follow over the next six months.

Chair Mlikotin asked if an independent economic analysis which Cal Expo plans to do would come before or after the RFP? Mr. Moag responded that the analysis would come after all of Cal Expo's needs were met and a developer had been selected.

Director Beneto expressed a concern with costs Cal Expo might incur over the next six months. Mr. Moag responded that a development agreement would require the developer to reimburse Cal Expo and the NBA for its costs.

Director Nakase left the meeting at 2:37 p.m.

Chair Mlikotin asked what financial risks Cal Expo was undertaking? Director Hime responded zero except for legal fees. Director Albani read paragraph 2 of the LOU which sets out the responsibility of Cal Expo and the NBA. Commissioner Stern responded that Cal Expo would be responsible for any consultants it hires.

Ex Officio Board Member, Assembly Member Dave Jones stated that he supports a mixed use project at Cal Expo but that any project would require financial scrutiny of the numbers and the assumptions by which the numbers were based.

Assembly Member Jones reminded the Board of his concerns regarding the need for transparency and an economic analysis that looked at the feasibility of the project with and without an Arena. He views the LOU as a non-binding agreement to keep talking. However, it's critical that staff keep the Board apprised of the project's progress.

Motion:

It was moved by Director Gallagher and seconded by Director Albani to accept and approve the Letter of Understanding (LOU) as presented which sets out a more formal process for continuing negotiations concerning the proposed project.
All in favor, motion carried.

MEETING BREAK

The meeting was recessed at 3:10 p.m. for a press conference.

Directors Hendrickson and Pérez-Cook left the meeting at 3:10 p.m.

The meeting was resumed at 3:30 p.m.

3. The Board will consider whether to authorize Cal Expo staff to expend additional funds for legal fees and other consultants that may be needed to evaluate the Proposed Project, to continue negotiations with the NBA, and to fulfill the requirements of the proposed LOU.

DAG Blair announced that there was no longer a quorum of the Board and that the meeting would continue with the remaining members acting as a Committee of the whole and any action by the Committee would need to be placed on a future Board Agenda for approval by a quorum of the Board.

Director Hime reported that the contract with the Bingham Group expired on April 30, 2008 and the full amount of \$50,000 had been expended and an extension would be in order. Governor Wilson and his staff have done an excellent job of representing Cal Expo and would offer the following motion.

Motion:

It was moved by Director Hime and seconded by Director Gallagher to authorize the Real Estate Committee to negotiate an extension of the Agreement with the Bingham Group for a six month period to not exceed \$100,000. The Agreement shall be reviewed by the Sub-Committee of the Executive Committee before being brought to the Board for approval. **All in favor, motion carried.**

8. COMMITTEE AND STAFF REPORTS

- a. State Fair, Agriculture & Marketing Committee Reports
- b. Horse Racing Staff Reports
- c. Operations & Planning Staff Reports

Motion:

It was moved by Director Hime and seconded by Director Beneto to accept from staff the reports of the State Fair, Agriculture & Marketing Committee and Operations & Planning. **All in favor, motion carried.**

9. FINANCIAL REPORTS

- a. Monthly Financial Statements for April 2008
- b. Purchases/Contracts Requiring Board Notification
- c. Accounts Receivable Report

AGM Elliott provided an update on the Harness meet to the Board.

Director Gallagher reviewed the monthly financial reports including the reports for harness racing for the period of March and April.

Motion:

It was moved by Director Hime and seconded by Chair Mlikotin to approve the monthly financial statements for April 2008 as mailed. **All in favor, motion carried.**

10. CONSENT CALENDAR

- a. Review for Board Approval Staff Recommendation of Member Candidate, Rajeev K. Davit, for the 2008 Agricultural Advisory Council

Motion:

It was moved by Director Albiani and seconded by Director Gallagher to approve the Member Candidate, Rajeev K. Davit, to the 2008 Agricultural Advisory Council. **All in favor, motion carried.**

11. CORRESPONDENCE

- a. Letter to the Board from the California Regional Water Quality Control Board

AGM Launey reviewed the Letter to the Board from the California Regional Water Quality Control Board included in the Board packet.

Director Nakase returned to the meeting by teleconference at 3:50 p.m. which provided the Board with a full quorum.

Roll call votes were taken on Agenda Item # 7.3, Update on Arena Negotiations with the NBA, # 9.a. Financial Reports and # 10 Consent Calendar and the results are as follows:

Motion:

It was moved by Director Hime and seconded by Director Gallagher to authorize the Real Estate Committee to negotiate an extension of the Agreement with the Bingham Group for a six month period to not exceed \$100,000. The Agreement

shall be reviewed by the Sub-Committee of the Executive Committee before being brought to the Board for approval. **In favor: Directors Nakase, Gallagher, Mlikotin, Hime, Albiani and Beneto. All in favor, motion carried.**

Motion:

It was moved by Director Hime and seconded by Chair Mlikotin to approve the monthly financial statements for April 2008 as mailed. **In favor: Directors Nakase, Gallagher, Mlikotin, Hime, Albiani and Beneto. All in favor, motion carried.**

Motion:

It was moved by Director Albiani and seconded by Director Gallagher to approve the Member Candidate, Rajeev K. Davit, to the 2008 Agricultural Advisory Council. **In favor: Directors Nakase, Gallagher, Mlikotin, Hime, Albiani and Beneto. All in favor, motion carried.**

12. UNFINISHED BUSINESS

- a. Review for Board Action Revision to Ray Cammack Show's Agreement (RCS)

The Board reviewed the proposed changes to the RCS Agreement and expressed concerns with the Term of the Agreement being amended at RCS request to allow them a 60 day cancellation clause following the conclusion of the State Fair each year. The Board directed staff to consider other options including leaving the language the same. Staff will report back

Director Nakase left the meeting at 4:00 p.m.

- b. Review for Board Ratification on the Settlement of Funds Outstanding and Shown as a Accounts Receivable from Sacramento Harness Association (SHA)

Director Beneto reported to the Board on the Settlement of Funds Outstanding and Shown as an Accounts Receivable from Sacramento Harness Association. A copy is attached and made part of the record. Discussion ensued and this was tabled and will be brought back to the Board.

Director Hime left the meeting at 4:10 p.m.

13. NEW BUSINESS

14. MATTERS OF INFORMATION

a. Publics' Comments

Randy Brink provided his report.

b. Directors' Comments

Director Albani suggested that the Board participate in the purchase of an animal at the Sacramento County Fair Livestock Auction. It was agreed that Director Albani would purchase an animal for up to \$500 and those Directors and Staff who wished to participate could contribute.

c. Manager's Comments

d. Next Board Meeting – Friday, June 27, 2008

e. Other, if any

14. ADJOURNMENT

Motion:

It was moved by Director Gallagher and seconded by Chair Mlikotin to adjourn the Board meeting. **All in favor, motion carried.**

The Board meeting was adjourned at 4:15 p.m.

**CALIFORNIA EXPOSITION AND STATE FAIR
DRAFT PROFIT/LOSS STATEMENT FOR
HARNESS RACING OPERATIONS
April 2008**

Row	Description	April 2008		
		Revenue	YTD 2008	YTD Budget
1	PariMutuel Commissions	\$ 588,116	\$ 1,189,677	\$1,265,536
2	Expense Reimbursement	75,000	150,000	84,000
3	Salary Reimbursement	-	-	23,000
4	Promo Reimbursement	-	-	52,000
5	Admissions	5,280	9,559	14,000
6	Programs	6,876	13,720	
7	Total Revenue	\$ 675,272	\$ 1,362,956	\$ 1,438,536
8	EXPENSES			
9	<u>Personal Services</u>			
10	Salaries & Wages*	\$ 145,730	\$ 290,353	\$ 327,366
11	Benefits (32% of salary)	13,958	25,522	104,760
12	Total Personal Services**	\$ 159,688	\$ 315,875	\$ 432,126
13	<u>Operating Expenses</u>			
14	General Expenses	\$ 21,018	65,942	\$ 229,930
15	Advertising	17,622	20,222	50,000
16	Printing	1,528	1,528	7,560
17	Telecommunications	1,058	1,058	2,200
18	Postage	12	12	1,400
19	Insurance***	7,500	40,294	20,000
20	Travel - Instate	-	86	400
21	Facilities Operations	6,907	14,971	53,000
22	Utilities	18,424	37,169	51,360
23	Prof Serv - Internal			9,000
24	Prof Serv - External	119,935	246,217	247,563
25	Data Processing	97	97	1,200
26	Pro Rata****			-
27	Total Operating Expenses	\$ 194,102	\$ 427,597	\$ 673,613
28	TOTAL EXPENSES	\$ 353,790	\$ 743,472	\$ 1,105,739
29	MONTHLY PROFIT (LOSS)	\$ 321,482	\$ 619,484	\$ 332,797
30	Depreciation Expense			-
31	Capital Improvements			-
32	Equipment	-	811	21,300
33	CHANGES IN RESERVES	\$ 321,482	\$ 618,673	\$ 311,497

*Does not include any cost for Permanent Full Time Staff hours spent-Staff does not get paid for any extra hours worked

**There may be changes in salaries and benefits pending final negotiation of contracts and benefit determination

***Insurance for the entire meet

****Does not include any cost for Pro Rata which would increase approximately \$3,000 per month in 2009 due to increased expenses and positions

DRAFT

TERM SHEET
PROPOSED SETTLEMENT OF CAL EXPO's CLAIMS AGAINST
SACRAMENTO HARNESS ASSOCIATION

Purpose	The Sacramento Harness Association (SHA) ceased operations on March 2, 2008, and is in the process of winding up its affairs. Its assets are not sufficient to pay all of its creditors in full. In order to maximize the recovery to all its creditors SHA is attempting to reach agreement with its major creditors to compromise their claims and with its account debtors to collect the accounts receivable in the ordinary course without having to expend its limited resources to initiate legal actions against its account debtors or to defend collection actions by its creditors, or file a chapter 7 bankruptcy. To do this, SHA has entered into negotiations with Cal Expo and Christo Bardis, its largest creditors, regarding discounting their claims. This term sheet sets forth the proposal to Cal Expo.
Amount SHA Owes Cal Expo	The parties agree that SHA owes Cal Expo \$1,006,167.68, all as more particularly set forth in Exhibit A attached hereto.
Assets to Be Transferred to Cal Expo	Cal Expo took possession and has been using, insuring and maintaining certain of SHA's horse racing equipment and other equipment, all as more particularly described in Exhibit B attached hereto. Cal Expo wants to purchase and SHA wants to sell these assets to Cal Expo.
Purchase Price and Credit Bid	Cal Expo and SHA agree that the fair market value of the subject equipment is \$282,000.00, and that amount will be the purchase price Cal Expo pays for the equipment. SHA agrees that Cal Expo may credit the amounts it is owed by SHA dollar for dollar against the purchase price. By this transaction, Cal Expo will be receiving repayment of 28% of its claim.
Treatment of Balance of Cal Expo's Claim	The balance of Cal Expo's claim against SHA, in the amount of \$734,167.68, shall be an unsecured claim which Cal Expo shall submit for payment pro rata with the other unsecured creditors of SHA. Cal Expo will not receive any further payment on its unsecured claim until the other unsecured creditors are paid 28% of their claims. For example, the agreed upon equipment value equals 28% of Cal Expo's claim, it will not receive any further pro rata payment until the remaining unsecured creditors have received distributions equal to 28% of their claims.

Assets and Liabilities of SHA	Attached hereto as Exhibit C is a balance sheet showing the assets and liabilities of SHA.
Pro Rata Distribution to Creditors	Taking into account costs of liquidating SHA's assets and its ability to collect its total accounts receivable, SHA estimates that it will make a pro rata distribution to its unsecured creditors of approximately 60 % on the dollar of each claim. This estimate is based on the assumption that all creditors have equal rights and no preferences are available to any individual or group of creditors. If it is determined that an individual creditor or group of creditors have a preference in payment, the pro rate distribution to certain creditors may be different than the 60% estimate described above.
Settlement with Christo Bardis	<p>SHA owes Christo Bardis approximately \$ 1,064,324.70. He has agreed to a substantial discount of his claim in exchange for an immediate cash payment in the amount of \$ 281,971.85. The balance of the Bardis claim against SHA, in the amount of \$ _____ shall be an unsecured claim which Bardis shall submit for payment pro rata with the other unsecured creditors of SHA. Bardis will not receive any further payment on his unsecured claim until the other unsecured creditors are paid 26.5% of their claims.</p> <p>As part of his agreement with SHA, Mr. Bardis has agreed in writing that he has no property right in any of the equipment being transferred to Cal Expo. Mr. Bardis purchased certain equipment and sold it to SHA in exchange for a promissory note.</p>
Offer Expiration	This offer will expire if not accepted in writing by Cal Expo on or before the close of business on May 30, 2008.

CALIFORNIA EXPOSITION & STATE FAIR

State Fair, Agriculture & Marketing Committee Minutes
Wednesday, May 21, 2008
11:45 a.m.

MINUTES

Committee Members Present: Amparo Pérez-Cook, Chair
Director Gil Albiani

Committee Members Absent: Director Kathy Nakase

Staff Present:

General Manager/CEO (GM)	Norb Bartosik
Assistant General Manager, Racing (AGM)	Dave Elliott
Accounting & Finance Manager	Amy Casias
Assistant General Manager, Programs (AGM)	Patricia Garamendi
Assistant General Manager, Marketing & Public Relations (AGM)	Erica Manuel
Admissions & Parking Manager	Marcia Shell
Exposition Event Manager	Louise Shroder
Sponsorship Sales	Brian Honebein
Contracts Manager	Jan Risso
Chief Bureau of Exhibits (CBE)	Michael Bradley
Exhibits Supervisor	Greg Kinder
Cal Expo Volunteer	Randy Brink
Recording Secretary	Linda Contreras

Chair Pérez-Cook called the meeting to order at 11:50 a.m. Director Nakase had asked to be excused and was not present.

NEW BUSINESS

1. Review for Approval Staff Recommendation of Member Candidate, Rajeev K. Davit, for the 2008 Agricultural Advisory Council

GM Bartosik reviewed the application of Member Candidate, Rajeev K. Davit, for the 2008 Agricultural Advisory Council included in the Board packet.

Motion:

It was moved by Director Albiani and seconded by Chair Pérez-Cook to accept and recommend to the Board, Rajeev K. Davit, as a member to the 2008 Agricultural Advisory Council. **All in favor, motion carried.**

MATTERS OF INFORMATION

1. Staff Reports

AGM Manuel reviewed her report included in the Board packet.

Brian Honebein, Sponsorship Sales, distributed to the Committee an updated Sponsorship Revenue Tracking Report for 2008. A copy is attached and made part of the record.

AGM Manuel revealed to the Committee the prototype of the Hollywood Poppy bear.

AGM Manuel reported on the Cultural Advisory Council Entertainment Committee for the State Fair, Corporate Sales and the Kids Talent Auditions sponsored by John Robert Powers.

AGM Garamendi reviewed her report included in the Board packet.

AGM Garamendi distributed a 2008 California State Fair Calendar and reported that there is a change. The Bullfest is scheduled on Saturday & Sunday, August 16-17 and there will be a Purina Diving Dog Show on Saturday & Sunday, August 23-24. A copy is attached and made part of the record.

AGM Manuel reported to the Committee that the State Fair Advance Sales are available on the website.

ADJOURNMENT

The State Fair, Agriculture and Marketing Committee meeting adjourned at 12:10 p.m.

SPONSORSHIP REVENUE TRACKING REPORT 2008

PROPERTY: California Exposition & State Fair

DATE PREPARED: 5/21/2008

Company	Proposal Pending and/or Offered	Contract Status	Contract Term	Confirmed Investment Per Year	Proposed In-Kind
2008 California State Fair					
Alhambra	Alhambra Cool Zone	<i>Signed</i>	2007-2009	\$ 56,650.00	\$ 10,000.00
Air Resources Board	Partnering with Drive Clean CA in Green Dream		2008	\$ 5,000.00	
DCA - BAR	California Green Dream		2008	\$ 25,500.00	
Cache Creek Casino Resort	Skyride		2008	\$ 27,500.00	
California Lottery	Read and Ride		2008	\$ 24,000.00	\$ 1,000.00
Carl's Jr.	Xtreme Zone	<i>Signed</i>	2008	\$ 25,000.00	
Central Valley Tow	Parking Emergency Services		2008-2010		\$ 10,000.00
DBI - Miller	Grandstands		2008-2010	\$ 180,000.00	
Del Monte	California Kitchie		2008	\$ 30,000.00	
DirecTV	Xtreme Zone			\$ 32,500.00	
Dish Networks	Fireworks			\$ 49,500.00	\$5,000.00
DOC Recycling Division	Green Dream	<i>Signed</i>	2007-2008	\$ 25,000.00	
Dodge	Livestock Pavilion & Sale of Champions			\$ 77,500.00	
Drive Clean California	Green Dream			\$ 20,000.00	
General Motors	Official Partner	<i>Signed</i>	2007-2009	\$ 231,000.00	\$ 40,500.00
Golden1 Credit Union	Title Partnership ~ Main Entertainment Stage		2008	\$ 95,000.00	
Hy Cite	Official Partner - Kids Park	<i>Signed</i>	2007 -2011	\$ 168,000.00	
Hy Cite	Presenting Partner - California Foodstyle	<i>Signed</i>	2007-2011	\$ 252,000.00	
Jackson Rancheria	Xtreme Zone and Ticket Backs		2008	\$ 85,000.00	
John Robert Powers	Talent Shows Casting Calls			\$ 27,500.00	\$ 7,500.00
Kaiser Permanente	Kids Park and Kids Activities		2008	\$ 93,500.00	
PG&E	Center Stage	<i>Signed</i>	2006-2008	\$ 60,105.00	
Sacramento Coca Cola	Official Soft Drink	<i>Signed</i>	2006-2010	\$ 242,550.00	
Sacramento Tree Foundation	Green Dream		2008		\$ 29,200.00
Slow for the Cone Zone	Xtreme Zone			\$ 60,000.00	
Sprint	Sprint Text Challenge		2008	\$ 37,500.00	
State Farm Insurance	Concerts			\$ 50,000.00	
Toyota	Title Partnership ~ Xtreme Zone	<i>Signed</i>	2006-2008	\$ 142,691.05	
Temporary Display Space					
Laura Scudders	Mobile Tour		2008	\$ 10,050.00	
Pork Board	Mobile Tour		2008	\$ 10,050.00	
Uncrustables	Mobile Tour		2008	\$ 10,050.00	
Rock Band	Mobile Tour		2008	\$ 48,300.00	
Purina/Oust Diving Dogs	Mobile Tour		2008		\$ 10,050.00
Interim Events					
Golden1			2008	\$ 6,600.00	
California Wine Ads					
Save Mart Supermarket	Wine Garden	<i>Signed</i>	2007-2009	\$ 190,000.00	
Premium Space					
Gold Rush Getaways	Premium Space			\$ 30,000.00	
Total Sponsor Revenue				\$ 2,428,046.05	\$ 113,250.00

2008 Cash Sponsor Budget Projections vs. Actual

2007 Revenue	2008 Projected	2008 Actual
\$ 2,851,787.57	\$ 2,100,000.00	\$ 2,428,046.05

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
August 15 - September 1						
Fair Hours: Friday thru Sunday & Labor Day 10am-10pm Monday thru Thursday 12 Noon-10pm	Recurring Events: Sea Lion Show – Kids Park Sound Effects Show - Backlot Hollywood High Dive – main Promanade Treetures & Tim Womick Presentations – A/B Going Hollywood – Expo Center #4 UC Davis Centennial – Expo Center #3 DWR – The Delta – A/B	July 10 Grape & Gourmet Aug 8 Gala Aug 13 Animals (Livestock and F&F) move in	14	15 Senior Friday	16	
			5:30 Awards Ceremony (Expo Center) UC Davis Reception	10 am -10 pm 9:30am Open Ceremony Counties Day & Awards Sheep Dog Trials Natasha Bettingfield	10 am -10 pm Bullfest Dirt to Dish Step Up Doodlebops Live!	
17	18	19 Kid's Day	20	21	22 Senior Friday	23
10 am -10 pm Firemen's Cookoff Dirt to Dish Step Up	12 noon – 10 pm Sale of Champions @ Grandstands Ag Advisory Council Weird AL Yankovic	12 noon – 10 pm Poppy's Birthday Party School Tours Youth Horse Show International Day First Responder's Day The Fab Four	12 noon – 10 pm Youth Horse Show Opening Day Thoroughbred Racing Equine Champion Challenge	12 noon – 10 pm Fun For All Day Air Supply	10 am -10 pm Farm Camp Dirt to Dish Brewfest @ Grandstands Vanessa Hudgens	10 am -10 pm Arts Day Dirt to Dish Step Up Gary Allan
24	25	26 Kid's Day	27 Cattleman's Day	28	29 Senior Friday	30
10 am -10 pm Bullfest Dirt to Dish Step Up	12 noon – 10 pm Versatility Clinic	12 noon – 10 pm AQHA Versatility Horse Show School Tours Kids Talent Show The Low Rider Band	12 noon – 10 pm 9am Ag Heritage Brkfst Rodeo Hall of Fame RV/STB/FB Luncheon RV/STB/FB Trail Class John Harris Reception	12 noon – 10 pm WFA Reception Legislator's Day Al Jarreau	10 am -10 pm CAC Thank you Reception Farm Camp Dirt to Dish Grand Funk Railroad	10 am -10 pm Dirt to Dish Step Up Karaoke Finals
31	1 Labor Day					
10 am -10 pm Firemen's Challenge - Final Demo Derby Dirt to Dish Step Up	10 am -10 pm Last Day of the Fair Demo Derby Dirt to Dish Step Up					

CALIFORNIA EXPOSITION & STATE FAIR

Finance & Audit Committee
Wednesday, May 21, 2008
10:45 a.m.

MINUTES

Committee Members Present:

Corny Gallagher, Chair
Director Marilyn Hendrickson
Director Marko Mlikotin

Staff Present:

General Manager/CEO (GM)
Deputy General Manager (DGM)
Accounting & Finance Manager
Assistant General Manager, Racing (AGM)
Assistant General Manager, Marketing &
Public Relations (AGM)
Assistant General Manager, Programs (AGM)
Exposition Event Manager
Admissions & Parking Manager
Contracts Manager
Chief Bureau of Exhibits (CBE)
Exhibits Supervisor
Cal Expo Volunteer
Recording Secretary

Norb Bartosik
Brian May
Amy Casias
Dave Elliott
Erica Manuel
Patricia Garamendi
Louise Shroder
Marcia Shell
Jan Risso
Michael Bradley
Greg Kinder
Randy Brink
Linda Contreras

Chair Gallagher called the meeting to order at 10:45 a.m.

Chair Gallagher asked the Committee if there were any comments or edits to the April 25, 2008 Finance & Audit meeting minutes. The Committee had none.

NEW BUSINESS

1. Monthly Financial Statements for April 2008

Accounting & Finance Manager Casias reviewed the monthly financial statements included in the Board packet.

MATTERS OF INFORMATION

1. Contracts/Purchases Requiring Board Notification

The Committee had no questions regarding the Contract/Purchases Requiring Board Notification.

2. Accounts Receivable Report

Accounting & Finance Manager Casias reported that the reimbursables are up as a result of harness. Account Receivables reflects the money owed by Sacramento Harness Association.

The proposed settlement agreement with Sacramento Harness Association would result in a \$400,000 bad debt loss.

Accounting & Finance Manager Casias reviewed the Accounts Receivable Report with the Committee and reported that the California Department of Boating & Waterways, Nationwide Insurance, California State 4-H Office, California Fair Services Authority, Cornell Group Inc. and Palace Entertainment had paid.

The Pavletich Electric Inc. is on a monthly payment schedule and will be paying \$500.00.

Accounting & Finance Manager Casias reviewed the Harness Racing Operations report which is attached and made part of the record. Revenues are down slightly, but expenses are down considerably resulting in a monthly profit for the months of March and April in excess of budget.

Accounting & Finance Manager Casias notified the Committee that Cal Expo has hired an employee of Sacramento Harness Association who in the short term will be working for both parties until Sacramento Harness Association permanently closes its books. Cal Expo policy requires Board approval when an employee of Cal Expo works for a contractor of Cal Expo. This will be placed on the agenda for the June meeting.

Accounting & Finance Manager Casias reported to the Committee that next month the audit will be presented at the June meeting. Also, the Management Discussion Analysis will be completed and asked Committee for any comments.

Chair Gallagher asked that the management comments address the debt with Sacramento Harness Association and the ongoing discussions with the NBA.

Director Mlikotin asked that an independent analysis be done of Cal Expo's infrastructure needs and its impact on future budgets.

Motion:

It was moved by Director Hendrickson and seconded by Director Mlikotin to accept and recommend to the Board the Monthly Financial Statements for April 2008 as mailed. **All in favor, motion carried.**

ADJOURNMENT

The Finance & Audit Committee meeting adjourned at 9:35 a.m.

**CALIFORNIA EXPOSITION AND STATE FAIR
DRAFT PROFIT/LOSS STATEMENT FOR
HARNESS RACING OPERATIONS
April 2008**

Row	Description	April 2008		
		REVENUE	YTD 2008	YTD Budget
1	PariMutuel Commissions	\$ 588,116	\$ 1,189,677	\$1,265,536
2	Expense Reimbursement	75,000	150,000	84,000
3	Salary Reimbursement	-	-	23,000
4	Promo Reimbursement	-	-	52,000
5	Admissions	5,280	9,559	14,000
6	Programs	6,876	13,720	
7	Total Revenue	\$ 675,272	\$ 1,362,956	\$ 1,438,536
8	EXPENSES			
9	<u>Personal Services</u>			
10	Salaries & Wages*	\$ 145,730	\$ 290,353	\$ 327,366
11	Benefits (32% of salary)	13,958	25,522	104,760
12	Total Personal Services**	\$ 159,688	\$ 315,875	\$ 432,126
13	<u>Operating Expenses</u>			
14	General Expenses	\$ 21,018	65,942	\$ 229,930
15	Advertising	17,622	20,222	50,000
16	Printing	1,528	1,528	7,560
17	Telecommunications	1,058	1,058	2,200
18	Postage	12	12	1,400
19	Insurance***	7,500	40,294	20,000
20	Travel - Instate	-	86	400
21	Facilities Operations	6,907	14,971	53,000
22	Utilities	18,424	37,169	51,360
23	Prof Serv - Internal			9,000
24	Prof Serv - External	119,935	246,217	247,563
25	Data Processing	97	97	1,200
26	Pro Rata****			-
27	Total Operating Expenses	\$ 194,102	\$ 427,597	\$ 673,613
28	TOTAL EXPENSES	\$ 353,790	\$ 743,472	\$ 1,105,739
29	MONTHLY PROFIT (LOSS)	\$ 321,482	\$ 619,484	\$ 332,797
30	Depreciation Expense			-
31	Capital Improvements			-
32	Equipment	-	811	21,300
33	CHANGES IN RESERVES	\$ 321,482	\$ 618,673	\$ 311,497

*Does not include any cost for Permanent Full Time Staff hours spent-Staff does not get paid for any extra hours worked

**There may be changes in salaries and benefits pending final negotiation of contracts and benefit determination

***Insurance for the entire meet

****Does not include any cost for Pro Rata which would increase approximately \$3,000 per month in 2009 due to increased expenses and positions

TERM SHEET
PROPOSED SETTLEMENT OF CAL EXPO's CLAIMS AGAINST
SACRAMENTO HARNESS ASSOCIATION

Purpose	The Sacramento Harness Association (SHA) ceased operations on March 2, 2008, and is in the process of winding up its affairs. Its assets are not sufficient to pay all of its creditors in full. In order to maximize the recovery to all its creditors SHA is attempting to reach agreement with its major creditors to compromise their claims and with its account debtors to collect the accounts receivable in the ordinary course without having to expend its limited resources to initiate legal actions against its account debtors or to defend collection actions by its creditors, or file a chapter 7 bankruptcy. To do this, SHA has entered into negotiations with Cal Expo and Christo Bardis, its largest creditors, regarding discounting their claims. This term sheet sets forth the proposal to Cal Expo.
Amount SHA Owes Cal Expo	The parties agree that SHA owes Cal Expo \$1,006,167.68, all as more particularly set forth in Exhibit A attached hereto.
Assets to Be Transferred to Cal Expo	Cal Expo took possession and has been using, insuring and maintaining certain of SHA's horse racing equipment and other equipment, all as more particularly described in Exhibit B attached hereto. Cal Expo wants to purchase and SHA wants to sell these assets to Cal Expo.
Purchase Price and Credit Bid	Cal Expo and SHA agree that the fair market value of the subject equipment is \$282,000.00, and that amount will be the purchase price Cal Expo pays for the equipment. SHA agrees that Cal Expo may credit the amounts it is owed by SHA dollar for dollar against the purchase price. By this transaction, Cal Expo will be receiving repayment of 28% of its claim.
Treatment of Balance of Cal Expo's Claim	The balance of Cal Expo's claim against SHA, in the amount of \$734,167.68, shall be an unsecured claim which Cal Expo shall submit for payment pro rata with the other unsecured creditors of SHA. Cal Expo will not receive any further payment on its unsecured claim until the other unsecured creditors are paid 28% of their claims. For example, the agreed upon equipment value equals 28% of Cal Expo's claim, it will not receive any further pro rata payment until the remaining unsecured creditors have received distributions equal to 28% of their claims.

Assets and Liabilities of SHA	Attached hereto as Exhibit C is a balance sheet showing the assets and liabilities of SHA.
Pro Rata Distribution to Creditors	Taking into account costs of liquidating SHA's assets and its ability to collect its total accounts receivable, SHA estimates that it will make a pro rata distribution to its unsecured creditors of approximately 60 % on the dollar of each claim. This estimate is based on the assumption that all creditors have equal rights and no preferences are available to any individual or group of creditors. If it is determined that an individual creditor or group of creditors have a preference in payment, the pro rate distribution to certain creditors may be different than the 60% estimate described above.
Settlement with Christo Bardis	<p>SHA owes Christo Bardis approximately \$ 1,064,324.70. He has agreed to a substantial discount of his claim in exchange for an immediate cash payment in the amount of \$ 281,971.85. The balance of the Bardis claim against SHA, in the amount of \$ _____ shall be an unsecured claim which Bardis shall submit for payment pro rata with the other unsecured creditors of SHA. Bardis will not receive any further payment on his unsecured claim until the other unsecured creditors are paid 26.5% of their claims.</p> <p>As part of his agreement with SHA, Mr. Bardis has agreed in writing that he has no property right in any of the equipment being transferred to Cal Expo. Mr. Bardis purchased certain equipment and sold it to SHA in exchange for a promissory note.</p>
Offer Expiration	This offer will expire if not accepted in writing by Cal Expo on or before the close of business on May 30, 2008.

CALIFORNIA EXPOSITION & STATE FAIR

Horse Racing Committee

Monday, May 12, 2008

10:00 a.m.

MINUTES

Committee Members Present:

Steve Beneto, Chair
Director Gil Albiani

Committee Members Absent:

Director Bert Johnson

Staff Present:

General Manager/CEO (GM)

Deputy General Manager (DGM)

Assistant General Manager, Racing (AGM)

Assistant General Manager, Planning & Facilities (AGM)

Assistant General Manager, Marketing &

Public Relations (AGM)

Accounting & Finance Manager

Admissions & Parking Manager

Recording Secretary

Norb Bartosik

Brian May

Dave Elliott

Steve Launey

Erica Manuel

Amy Casias

Marcia Shell

Linda Contreras

Chair Beneto called the meeting to order at 10:00 a.m. Director Johnson had asked to be excused and was not present.

UNFINISHED BUSINESS

1. Review for Approval Proposed Settlement of Cal Expo's Claims Against Sacramento Harness Association.

Accounting & Finance Manager Casias reviewed the terms of the proposed settlement with Sacramento Harness Association which is attached and made part of the record. The settlement includes a transfer of equipment and assets of \$282,000 to Cal Expo which is a credit against what Sacramento Harness Association owes Cal Expo (\$1,006,168). This credit represents 28% of the full amount.

A balance sheet listing Sacramento Harness Association's assets and liabilities was also distributed and is attached and made part of the record. Sacramento Harness Association is prepared to make a payment of 28% to all other creditors as a first round of distributions. The balance of cash will then be distributed in a pro rata distribution to all parties. It's anticipated that this could amount to a cash payment of approximately \$340,000 to Cal Expo. The final amount will not be known for some time and is dependent in part on Sacramento Harness

Association coming to an agreement with NOTWINC and SCOTWINC to release the funds which they owe Sacramento Harness Association. Creditors forcing Sacramento Harness Association into bankruptcy will also affect final cash distributions. Staff recommends approval.

Motion

It was moved by Director Albiani and seconded by Director Beneto to accept the Terms of Sacramento Harness Association's Proposed Settlement of Cal Expo's Claims. **All in favor, motion carried.**

Accounting & Finance Manager Casias provided an update on the Harness meet revenue.

AGM May provided an update on the Teamsters agreement.

ADJOURNMENT

The Horse Racing Committee meeting adjourned at 10:50 a.m.

TERM SHEET
PROPOSED SETTLEMENT OF CAL EXPO's CLAIMS AGAINST
SACRAMENTO HARNESS ASSOCIATION

Purpose	The Sacramento Harness Association (SHA) ceased operations on March 2, 2008, and is in the process of winding up its affairs. Its assets are not sufficient to pay all of its creditors in full. In order to maximize the recovery to all its creditors SHA is attempting to reach agreement with its major creditors to compromise their claims and with its account debtors to collect the accounts receivable in the ordinary course without having to expend its limited resources to initiate legal actions against its account debtors or to defend collection actions by its creditors, or file a chapter 7 bankruptcy. To do this, SHA has entered into negotiations with Cal Expo and Christo Bardis, its largest creditors, regarding discounting their claims. This term sheet sets forth the proposal to Cal Expo.
Amount SHA Owes Cal Expo	The parties agree that SHA owes Cal Expo \$1,006,167.68, all as more particularly set forth in Exhibit A attached hereto.
Assets to Be Transferred to Cal Expo	Cal Expo took possession and has been using, insuring and maintaining certain of SHA's horse racing equipment and other equipment, all as more particularly described in Exhibit B attached hereto. Cal Expo wants to purchase and SHA wants to sell these assets to Cal Expo.
Purchase Price and Credit Bid	Cal Expo and SHA agree that the fair market value of the subject equipment is \$282,000.00, and that amount will be the purchase price Cal Expo pays for the equipment. SHA agrees that Cal Expo may credit the amounts it is owed by SHA dollar for dollar against the purchase price. By this transaction, Cal Expo will be receiving repayment of 28% of its claim.
Treatment of Balance of Cal Expo's Claim	The balance of Cal Expo's claim against SHA, in the amount of \$724,167.68, shall be an unsecured claim which Cal Expo shall submit for payment pro rata with the other unsecured creditors of SHA. Cal Expo will not receive any further payment on its unsecured claim until the other unsecured creditors are paid 28% of their claims. For example, the agreed upon equipment value equals 28% of Cal Expo's claim, it will not receive any further pro rata payment until the remaining unsecured creditors have received distributions equal to 28% of their claims.

Assets and Liabilities of SHA	Attached hereto as Exhibit C is a balance sheet showing the assets and liabilities of SHA.
Pro Rata Distribution to Creditors	Taking into account costs of liquidating SHA's assets and collecting its accounts receivable, SHA estimates that it will make a pro rata distribution to its unsecured creditors of approximately ____ % on the dollar of each claim.
Settlement with Christo Bardis	SHA owes Christo Bardis \$ 994,000.00. He has agreed to a substantial discount of his claim in exchange for an immediate cash payment in the amount of \$ 282,000. As part of his agreement with SHA, Mr. Bardis has agreed in writing that he has no property right in any of the equipment being transferred to Cal Expo. Mr. Bardis purchased certain equipment and sold it to SHA in exchange for a promissory note.
Offer Expiration	This offer will expire if not accepted in writing by Cal Expo on or before the close of business on May 12, 2008.

**California Exposition and State Fair
Accounts Receivable Report for
Sacramento Harness Association
5/12/2008**

Invoice Date	Invoice No.	Description	Balance
11/1/2007	10960	Nov 2007 Rent/Utilities	\$ 238,500.00
12/3/2007	10990	Dec 2007 Rent	210,000.00
12/3/2007	10991	Dec 2007 Utilities	22,500.00
1/2/2008	11116	Jan 2008 Rent	180,000.00
1/31/2008	11146	Jan 200 Utilities	27,000.00
2/11/2008	11149	Dec 2007 Reimbursables	3,763.47
2/19/2008	FC-0219	Finance Charge	3,577.50
2/25/2008	11171	May-June 2007 Fire Marshall	980.00
2/29/2008	11192	Feb 2008 Rent	180,000.00
2/29/2008	11193	Feb 2008 Utilities	28,500.00
3/12/2008	11215	Jan 2008 Reimbursable	10,303.30
3/17/2008	FC-0317	Finance Charge	9,765.00
3/27/2008	11243	Backstretch Repair Labor/Materials	50,000.00
4/4/2008	1	Landscaping South End of Track	17,233.00
4/9/2008	11272	Jan-Feb 2008 Reimbursables	13,825.34
4/15/2008	FC-0415	Finance Charge	10,220.07
Total Balance Due From SHA			\$ 1,006,167.68

11:02 AM
04/15/08
Accrual Basis

Sacramento Harness Association
Balance Sheet
As of April 15, 2008

	Apr 15, 08
	DRAFT
ASSETS	
Current Assets	
Checking/Savings	
Stockmans Bank-General	344,803.03
Stockmans Bank-Money Market	0.58
Stockmans Bank-Payroll	1,547.33
Stockmans Bank-Purse	8,077.43
Total Checking/Savings	354,428.37
Accounts Receivable	
6/12 & 1.25 Money Owed	18,692.14
ADW Receivable	92,136.29
Est SCOTWInc Expense Fund	482,241.36
Racing Commission Receivable	410,587.09
Reimburseable Receivable	165,641.00
Return Check Receivable	40,437.43
Total Accounts Receivable	1,209,735.31
Other Current Assets	
License Fee Deposit	10,000.00
Money Room Change Fund	750.00
NOTWINC Deposit Commission	200,000.00
Cal Expo-Deposit	100,000.00
Prepaid Insurance	
Liability Insurance	20,143.23
Total Prepaid Insurance	20,143.23
Total Other Current Assets	330,893.23
Total Current Assets	1,895,056.91
Fixed Assets	
Equipment	
Equipment	530,940.28
Leasehold Improvements	700,000.00
Accumulated Depreciation	-679,841.00
Total Fixed Assets	551,099.28
TOTAL ASSETS	2,446,156.19
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts payable	2,038,206.00
PassThrough-Accounts Payable	586,036.00
Total Accounts Payable	2,624,242.00
Other Current Liabilities	

Sacramento Harness Association
Balance Sheet
As of April 15, 2008

	<u>Apr 15, 08</u>
Payroll Liabilities	
Local 1877-COPE	49.00
Workers Comp	72.59
Total Payroll Liabilities	<u>121.59</u>
Total Other Current Liabilities	<u>121.59</u>
 Total Current Liabilities	 2,624,363.59
 Long Term Liabilities	
Note Payable-C Bardis-Cap Impro	282,352.96
Note Payable-C Bardis-Equipment	281,971.59
Loan Payable - C Bardis	500,000.00
Note Payable-R Scurfield	10,000.00
Total Long Term Liabilities	<u>1,074,324.55</u>
 Total Liabilities	 3,698,688.14
 Equity	
Deficit	<u>-1,252,531.95</u>
 Total Equity	 <u>-1,252,531.95</u>
 TOTAL LIABILITIES & EQUITY	 <u><u>2,446,156.19</u></u>

Sacramento Harness Association
Fixed Assets-Inventory-Other Assets
Depreciation and Net Book Value Computation

Description	Date Purchased	Per Form 1120 Useful Life in Years	Per Ivan Useful Life in Years	Date Placed in Service	Purchase Cost	Per Form 1120 2/28/08 2008 NBV	Per Ivan 2/28/08 2008 NBV	Appraised Value	Amount of Credit to AR	
TRACK EQUIPMENT										
Tractor Loader w/Scraper Blade Make: Case Model 570LXT Serial No. JJG0261358	8/1/2005	5	10	10/1/2005	\$ 27,153.00	\$ 14,029.05	\$ 20,591.03	\$ 19,500.00	\$ 19,500.00	appraisal
4000 Watt Light Tower - Towable Make: Ingersollr - Model: Light Source Serial no. 4FVLSBDA8YU311365	8/1/2005	5	10	10/1/2005	\$ 3,598.85	\$ 1,859.41	\$ 2,729.13	\$ 2,750.00	\$ 2,750.00	appraisal
4000 Watt Light Tower - Towable Make: Ingersollr - Model: Light Source Serial no. 4FVLSBDA5YU311193	8/1/2005	5	10	10/1/2005	\$ 3,598.85	\$ 1,859.41	\$ 2,729.13	\$ 2,750.00	\$ 2,750.00	appraisal
4000 Watt Light Tower - Towable Make: Ingersollr - Model: Light Source Serial no. 4FVLSBDA7YU311194	8/1/2005	5	10	10/1/2005	\$ 3,491.10	\$ 1,803.74	\$ 2,647.42	\$ 2,750.00	\$ 2,750.00	appraisal
4000 Watt Light Tower - Towable Make: Ingersollr - Model: LT700 Serial no. 306437UKJ789	8/1/2005	5	10	10/1/2005	\$ 3,663.50	\$ 1,892.81	\$ 2,778.15	\$ 2,750.00	\$ 2,750.00	appraisal
Challenger 45 Tractor Serial no. 1DR02057 STK# R98-263 Hours Approx 2216 Cab Deluxe, Gauge 60 inch Belt 32 inch standard Hitch 15000lb w/EDC w/Flex Ends Counter Weight Front 1350 lbs	8/1/2005	5	10	10/1/2005	\$ 64,900.00	\$ 33,531.67	\$ 49,215.83	\$ 32,500.00	\$ 32,500.00	appraisal
Challenger 45 Tractor Serial no. 1DR02054 STK# R98-262 Hours Approx 3818 Cab Deluxe, Gauge 60 inch Belt 24 inch standard Hitch 15000lb w/EDC w/Flex Ends Counter Weight FRT 1350 lbs	8/1/2005	5	10	10/1/2005	\$ 59,512.50	\$ 30,748.13	\$ 45,130.31	\$ 22,500.00	\$ 22,500.00	appraisal
Roller Harrow Tractor Implement	8/1/2005	5	10	10/1/2005	\$ 21,500.00	\$ 11,108.33	\$ 16,304.17	\$ 6,000.00	\$ 6,000.00	appraisal
1999 International 3800 Gallon Water Truck Equipment #TRL 135	8/1/2005	5	10	10/1/2005	\$ 30,000.00	\$ 15,500.00	\$ 22,750.00	\$ 22,500.00	\$ 22,500.00	appraisal
1999 International 3800 Gallon Water Truck Serial no. 1HTGCAAT4XH226898 Model 2554, License no. 5W98130	8/1/2005	5	10	10/1/2005	\$ 30,200.00	\$ 15,603.33	\$ 22,901.67	\$ 32,000.00	\$ 32,000.00	appraisal
Track Arms/Pony Motor for Water Trucks	8/1/2005	5	10	10/1/2005	\$ 27,184.26	\$ 14,045.20	\$ 20,614.73	\$ 13,500.00	\$ 14,045.20	low blue book
					\$ 274,802.06	\$ 141,981.06	\$ 208,391.57	\$ 159,500.00	\$ 160,045.20	

Sacramento Harness Association
Fixed Assets-Inventory-Other Assets
Depreciation and Net Book Value Computation

Description	Per	Form 1120	Per Ivan	Date	Purchase	Per Form 1120	lives Per Ivan	Appraised	Value	
	Date	Useful	Useful	Placed in		2008	2005			
	Purchased	Life in	Life in	Service	Cost	NBV	NBV			
1985 White Buick La Sabre Harness Car VIN#1G4BN69Y8FH846470	8/1/2005	5	10	10/1/2005	\$ 20,500.00	\$ 10,591.67	\$ 15,545.83	\$ 1,230.00	\$ 10,591.67	staff valued
Lincoln Town car - Red VIN#1LNHM81WXY769980	8/1/2005	5	10	10/1/2005	\$ 21,000.00	\$ 10,850.00	\$ 15,925.00	\$ 8,625.00	\$ 10,850.00	staff valued
1999 Utility Trailer VIN#1T9BA1623XB503607 Plate #4GN1661	10/31/2005	5	5	11/1/2005	\$ 700.00	\$ 373.33	\$ 373.33	\$ 700.00	\$ 373.33	low blue book
1997 Chevy Truck VIN#1GCGC29R1VE258959, Plate 6X05663	6/9/2006	5	5	7/1/2006	\$ 4,500.00	\$ 3,000.00	\$ 3,000.00	\$ 5,325.00	\$ 3,000.00	staff valued
1994 Jeep VIN#1J4GZ58SORC106634	5/4/2006	5	5	6/1/2006	\$ 500.00	\$ 325.00	\$ 325.00		\$ 325.00	
Street Sweeper	10/1/2007	5	10	11/1/2007	\$ 10,950.00	\$ 10,220.00	\$ 10,585.00	\$ 5,500.00	\$ 5,500.00	appraisal
Yamaha Gaton/Utility Cart Model #CW11 Serial #BDMUTXH1V4A01304A	8/28/2005	5	5	10/1/2005	\$ 5,000.00	\$ 2,583.33	\$ 2,583.33	\$ 3,000.00	\$ 2,583.33	staff valued
1990 Mack Sander VIN# VG6M111B5LB100393 Plate #5E63593	10/1/2005	5	10	11/1/2005	\$ 21,016.00	\$ 11,208.53	\$ 16,112.27	\$ 9,350.00	\$ 9,350.00	appraisal
Mud Harrow - Blue #1	9/27/2005	5	10	10/1/2005	\$ 15,000.00	\$ 7,750.00	\$ 11,375.00	\$ 4,500.00	\$ 4,500.00	appraisal
Mud Harrow - Blue #2	10/27/2005	5	10	11/1/2005	\$ 25,810.00	\$ 13,765.33	\$ 19,787.67	\$ 3,800.00	\$ 3,800.00	appraisal
OTHER EQUIPMENT										
Portable Detention Barn	2/28/2006	10	10	3/1/2006	\$ 47,410.00	\$ 41,088.67	\$ 37,928.00	\$ 40,000.00	\$ 41,088.67	staff valued
Drivers Room Washer	1/27/2006	5	5	2/1/2006	\$ 6,400.00	\$ 3,733.33	\$ 3,733.33	\$ 4,500.00	\$ 3,733.33	staff valued
Floor Cleaning Machine - Used in Grandstand by Janitors	10/25/2006	5	5	11/1/2006	\$ 1,500.00	\$ 1,100.00	\$ 1,100.00	\$ 1,200.00	\$ 1,100.00	staff valued
1999 Ford Winstar VIN# 2FMZA5146XBA73896, Plate 4DBW482	9/20/2005	5	5	10/1/2005	\$ 5,944.33	\$ 3,071.24	\$ 3,071.24	\$ 3,600.00	\$ 3,071.24	staff valued
Ovations Kitchen Equipment *Changed Value to equip only	12/20/2005	5	10	1/1/2006	\$ 11,410.56	\$ 6,465.98	\$ 12,619.50	\$ 2,282.11	\$ 6,465.98	
3 Super Job Carts	9/21/2005	5	5	10/1/2005	\$ 3,750.00	\$ 1,937.50	\$ 1,937.50	\$ 750.00	\$ 1,937.50	
Portable Radios	8/25/2005	3	3	10/1/2005	\$ 1,480.25	\$ 287.83	\$ 287.83	\$ 493.42	\$ 287.83	
					\$ 202,871.14	\$ 128,351.75	\$ 156,289.83	\$ 94,855.53	\$ 108,557.88	

Sacramento Harness Association
Fixed Assets-Inventory-Other Assets
Depreciation and Net Book Value Computation

Description	Date Purchased	Per Form 1120 Useful Life in Years	Per Ivan Useful Life in Years	Date Placed in Service	Purchase Cost	Per Form 1120 2008 NBV	Per Ivan 2005 NBV	Appraised Value	
OFFICE EQUIPMENT-RACING									
Paymaster Computer Equipment	1/18/2007	3	3	2/1/2007	\$ 5,426.45	\$ 3,466.90	\$ 3,466.90	\$ 2,700.00	\$ 3,466.90 staff valued
Racing Office Computers	7/20/2006	3	3	8/1/2006	\$ 1,349.58	\$ 637.30	\$ 637.30	\$ 700.00	\$ 637.30 staff valued
					\$ 6,776.03	\$ 4,104.20	\$ 4,104.20	\$ 3,400.00	\$ -
Grand Total Fixed Assets					\$ 484,449.23	\$ 274,437.02	\$ 368,785.60	\$ 257,755.53	\$ 268,603.08

OTHER ASSETS

Domain Registration, Email List, Etc	9/1/2005				\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
Grand Total All Assets					\$ 489,449.23	\$ 279,437.02	\$ 373,785.60	\$ 262,755.53	\$ 273,603.08

EQUIPMENT REMOVED FROM LIST

1995 Blue Buick Harness Car VIN#LNHM81WXY69980	8/1/2005	5		10/1/2005	\$ 18,000.00				
ASU410 Copier	10/7/2005	5		11/1/2005	\$ 11,838.00				
Other computer equipment - office	10/1/2006	5		11/1/2006	\$ 11,953.61				
CalX Sweatshirts	12/1/2007				\$ 832.50				
CalX Duffle Bags					\$ 1,747.35				
CalX T-Shirts (Groups)					\$ 8,125.00				